# S. 2025

To promote the national security and stability of the United States economy by reducing the dependence of the United States on oil through the use of alternative fuels and new technology, and for other purposes.

### IN THE SENATE OF THE UNITED STATES

NOVEMBER 16, 2005

Mr. Bayh (for himself, Mr. Brownback, Mr. Lieberman, Mr. Coleman, Mr. Graham, Mr. Salazar, Mr. Sessions, Mr. Nelson of Florida, Mr. Lugar, and Mr. Obama) introduced the following bill; which was read twice and referred to the Committee on Finance

### A BILL

To promote the national security and stability of the United States economy by reducing the dependence of the United States on oil through the use of alternative fuels and new technology, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
- 4 (a) Short Title.—This Act may be cited as the
- 5 "Vehicle and Fuel Choices for American Security Act".
- 6 (b) Table of Contents.—The table of contents of
- 7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings and purposes.

#### TITLE I—OIL SAVINGS PLAN AND REQUIREMENTS

- Sec. 101. Oil savings target and action plan.
- Sec. 102. Standards and requirements.
- Sec. 103. Initial evaluation.
- Sec. 104. Review and update of action plan.
- Sec. 105. Baseline and analysis requirements.

#### TITLE II—FUEL EFFICIENT VEHICLES FOR THE 21ST CENTURY

- Sec. 201. Tire efficiency program.
- Sec. 202. Reduction of school bus idling.
- Sec. 203. Fuel efficiency for heavy duty trucks.
- Sec. 204. Near-term vehicle technology program.
- Sec. 205. Lightweight materials research and development.
- Sec. 206. Hybrid and advanced diesel vehicles.
- Sec. 207. Advanced technology motor vehicles manufacturing credit.
- Sec. 208. Consumer incentives to purchase advanced technology vehicles.
- Sec. 209. Federal fleet requirements.
- Sec. 210. Tax incentives for private fleets.
- Sec. 211. Reducing incentives to guzzle gas.
- Sec. 212. Increasing the efficiency of motor vehicles.

#### TITLE III—FUEL CHOICES FOR THE 21ST CENTURY

- Sec. 301. Increase in alternative fuel vehicle refueling property credit.
- Sec. 302. Use of CAFÉ penalties to build alternative fueling infrastructure.
- Sec. 303. Minimum quantity of renewable fuel derived from cellulosic biomass.
- Sec. 304. Minimum quantity of renewable fuel derived from sugar.
- Sec. 305. Bioenergy research and development.
- Sec. 306. Production incentives for cellulosic biofuels.
- Sec. 307. Low-interest loan and grant program for retail delivery of E-85 fuel.
- Sec. 308. Transit-Oriented Development Corridors.

#### TITLE IV—NATIONWIDE ENERGY SECURITY MEDIA CAMPAIGN

Sec. 401. Nationwide media campaign to decrease oil consumption.

#### 1 SEC. 2. FINDINGS AND PURPOSES.

- 2 (a) FINDINGS.—Congress finds that—
- 3 (1) the United States is dangerously dependent
- 4 on oil;
- 5 (2) that dependence threatens the national se-
- 6 curity, weakens the economy, and harms the envi-
- 7 ronment of the United States;

1	(3) the United States currently imports nearly
2	60 percent of oil needed in the United States, and
3	that percentage is expected to grow to almost 70
4	percent by 2025 if no actions are taken;
5	(4) approximately 2,500,000 barrels of oil per
6	day are imported from countries in the Persian Gulf
7	region;
8	(5) dependence on foreign oil has led to stra-
9	tegic partnerships with some regimes that do not
10	share the democratic values of the United States;
11	(6) terrorists have identified oil as a strategic
12	vulnerability and have increased attacks against oil
13	infrastructure worldwide;
14	(7) oil imports comprise nearly 30 percent of
15	the dangerously high United States trade deficit;
16	(8) it is technically feasible to achieve oil sav-
17	ings of more than 2,500,000 barrels per day by
18	2017 and 7,000,000 barrels per day by 2026;
19	(9) those goals can be achieved by establishing
20	a set of flexible policies, including—
21	(A) increasing the gasoline-efficiency of
22	cars, trucks, tires, and oil;
23	(B) providing economic incentives for com-
24	panies and consumers to purchase fuel-efficient
25	vehicles;

1	(C) encouraging the use of transit and the
2	reduction of truck idling; and
3	(D) increasing production and commer-
4	cialization of alternative liquid fuels;
5	(10) technology available as of the date of en-
6	actment of this Act (including popular hybrid-elec-
7	tric vehicle models, the sales of which in the United
8	States increased 173 percent in the first 5 months
9	of 2005 as compared with the same period in 2004)
10	make an oil savings plan eminently achievable;
11	(11) achieving those goals will benefit con-
12	sumers and businesses through lower fuel bills and
13	reduction in world oil prices;
14	(12) achieving those goals will help protect the
15	economy of the United States from high and volatile
16	oil prices; and
17	(13) it is urgent, essential, and feasible to im-
18	plement an action plan to achieve oil savings as soon
19	as practicable because any delay in initiating action
20	will—
21	(A) make achieving necessary oil savings
22	more difficult and expensive; and
23	(B) increase the risks to the national secu-
24	rity, economy, and environment of the United
25	States.

1	(b) Purposes.—The purposes of this Act are—
2	(1) to accelerate market penetration of electric
3	drive and alternative motor vehicles;
4	(2) to enable the accelerated market penetra-
5	tion of efficient technologies and alternative fuels
6	without adverse impact on air quality while main-
7	taining a policy of fuel neutrality, so as to allow
8	market forces to elect the technologies and fuels that
9	are consumer-friendly, safe, environmentally-sound,
10	and economic;
11	(3) to provide time-limited financial incentives
12	to encourage production and consumer purchase of
13	oil saving technologies and fuels nationwide; and
14	(4) to promote a nationwide diversity of motor
15	vehicle fuels and advanced motor vehicle technology,
16	including advanced lean burn technology, hybrid
17	technology, flexible fuel motor vehicles, alternatively
18	fueled motor vehicles, and other oil saving tech-
19	nologies.
20	TITLE I—OIL SAVINGS PLAN AND
21	REQUIREMENTS
22	SEC. 101. OIL SAVINGS TARGET AND ACTION PLAN.
23	Not later than 270 days after the date of enactment
24	of this Act, the Director of the Office of Management and
25	Budget (referred to in this title as the "Director") shall

1	publish in the Federal Register an action plan consisting
2	of—
3	(1) a list of requirements proposed or to be pro-
4	posed pursuant to section 102 that are authorized to
5	be issued under law in effect on the date of enact-
6	ment of this Act, and this Act, that will be suffi-
7	cient, when taken together, to save from the baseline
8	determined under section 105—
9	(A) 2,500,000 barrels of oil per day on av-
10	erage during calendar year 2016;
11	(B) 7,000,000 barrels of oil per day on av-
12	erage during calendar year 2026; and
13	(C) 10,000,000 barrels per day on average
14	during calendar year 2031; and
15	(2) a Federal Government-wide analysis of—
16	(A) the expected oil savings from the base-
17	line to be accomplished by each requirement;
18	and
19	(B) whether all such requirements, taken
20	together, will achieve the oil savings specified in
21	this section.
22	SEC. 102. STANDARDS AND REQUIREMENTS.
23	(a) In General.—On or before the date of publica-
24	tion of the action plan under section 101, the Secretary
25	of Energy, the Secretary of Transportation, the Secretary

- 1 of Defense, the Secretary of Agriculture, the Adminis-
- 2 trator of the Environmental Protection Agency, and the
- 3 head of any other agency the President determines appro-
- 4 priate shall each propose, or issue a notice of intent to
- 5 propose, regulations establishing each standard or other
- 6 requirement listed in the action plan that is under the ju-
- 7 risdiction of the respective agency using authorities de-
- 8 scribed in subsection (b).
- 9 (b) AUTHORITIES.—The head of each agency de-
- 10 scribed in subsection (a) shall use to carry out this sec-
- 11 tion—
- 12 (1) any authority in existence on the date of en-
- actment of this Act (including regulations); and
- 14 (2) any new authority provided under this Act
- 15 (including an amendment made by this Act).
- 16 (c) Final Regulations.—Not later than 18 months
- 17 after the date of enactment of this Act, the head of each
- 18 agency described in subsection (a) shall promulgate final
- 19 versions of the regulations required under this section.
- 20 (d) Agency Analyses.—Each proposed and final
- 21 regulation promulgated under this section shall—
- (1) be designed to achieve at least the oil sav-
- 23 ings resulting from the regulation under the action
- plan published under section 101; and

1 (2) be accompanied by an analysis by the appli-2 cable agency describing the manner in which the 3 regulation will promote the achievement of the oil 4 savings from the baseline determined under section 5 105.

#### 6 SEC. 103. INITIAL EVALUATION.

- 7 (a) IN GENERAL.—Not later than 2 years after the
- 8 date of enactment of this Act, the Director shall publish
- 9 in the Federal Register a Federal Government-wide anal-
- 10 ysis of the oil savings achieved from the baseline estab-
- 11 lished under section 105.
- 12 (b) Inadequate Oil Savings.—If the oil savings
- 13 are less than the targets established under section 101,
- 14 simultaneously with the analysis required under sub-
- 15 section (a)—
- 16 (1) the Director shall publish a revised action
- plan that is adequate to achieve the targets; and
- 18 (2) the Secretary of Energy, the Secretary of
- 19 Transportation, and the Administrator shall propose
- 20 new or revised regulations under subsections (a),
- 21 (b), and (c), respectively, of section 102.
- (c) Final Regulations.—Not later than 180 days
- 23 after the date on which regulations are proposed under
- 24 subsection (b)(2), the Secretary of Energy, the Secretary

of Transportation, and the Administrator shall promul-2 gate final versions of those regulations. 3 SEC. 104. REVIEW AND UPDATE OF ACTION PLAN. 4 (a) Review.—Not later than January 1, 2011, and 5 every 3 years thereafter, the Director shall submit to Congress, and publish, a report that— 6 7 (1) evaluates the progress achieved in imple-8 menting the oil savings targets established under 9 section 101; 10 (2) analyzes the expected oil savings under the 11 standards and requirements established under this 12 Act and the amendments made by this Act; and 13 (3)(A) analyzes the potential to achieve oil sav-14 ings that are in addition to the savings required by 15 section 101; and 16 (B) if the President determines that it is in the 17 national interest, establishes a higher oil savings tar-18 get for calendar year 2017 or any subsequent cal-19 endar year. 20 (b) INADEQUATE OIL SAVINGS.—If the oil savings 21 are less than the targets established under section 101, 22 simultaneously with the report required under subsection 23 (a)— 24 (1) the Director shall publish a revised action

plan that is adequate to achieve the targets; and

1 (2) the Secretary of Energy, the Secretary of 2 Transportation, and the Administrator shall propose 3 new or revised regulations under subsections (a), 4 (b), and (c), respectively, of section 102. 5 (c) Final Regulations.—Not later than 180 days after the date on which regulations are proposed under 6 subsection (b)(2), the Secretary of Energy, the Secretary 8 of Transportation, and the Administrator shall promulgate final versions of those regulations. 10 SEC. 105. BASELINE AND ANALYSIS REQUIREMENTS. 11 In performing the analyses and promulgating pro-12 posed or final regulations to establish standards and other requirements necessary to achieve the oil savings required by this title, the Secretary of Energy, the Secretary of 14 15 Transportation, the Secretary of Defense, the Secretary of Agriculture, the Administrator of the Environmental 16 Protection Agency, and the head of any other agency the 18 President determines to be appropriate shall— 19 (1) determine oil savings as the projected re-20 duction in oil consumption from the baseline estab-21 lished by the reference case contained in the report

of the Energy Information Administration entitled

"Annual Energy Outlook 2005";

22

1	(2) determine the oil savings projections re-
2	quired on an annual basis for each of calendar years
3	2009 through 2026; and
4	(3) account for any overlap among the stand-
5	ards and other requirements to ensure that the pro-
6	jected oil savings from all the promulgated stand-
7	ards and requirements, taken together, are as accu-
8	rate as practicable.
9	TITLE II—FUEL EFFICIENT VEHI-
10	<b>CLES FOR THE 21ST CENTURY</b>
11	SEC. 201. TIRE EFFICIENCY PROGRAM.
12	(a) Standards for Tires Manufactured for
13	Interstate Commerce.—Section 30123 of title 49,
14	United States Code, is amended—
15	(1) in subsection (b)—
16	(A) in the first sentence, by striking "The
17	Secretary" and inserting the following:
18	"(1) Uniform quality grading system.—
19	"(A) IN GENERAL.—The Secretary";
20	(B) in the second sentence, by striking
21	"The Secretary" and inserting the following:
22	"(2) Nomenclature and marketing prac-
23	TICES.—The Secretary";
24	(C) in the third sentence, by striking "A
25	tire standard" and inserting the following:

1	"(3) Effect of standards and regula-
2	TIONS.—A tire standard"; and
3	(D) in paragraph (1), as designated by
4	subparagraph (A), by adding at the end the fol-
5	lowing:
6	"(B) Inclusion.—The grading system es-
7	tablished pursuant to subparagraph (A) shall
8	include standards for rating the fuel efficiency
9	of tires designed for use on passenger cars and
10	light trucks."; and
11	(2) by adding at the end the following:
12	"(d) National Tire Efficiency Program.—
13	"(1) Definition.—In this subsection, the term
14	'fuel economy', with respect to a tire, means the ex-
15	tent to which the tire contributes to the fuel econ-
16	omy of the motor vehicle on which the tire is mount-
17	ed.
18	"(2) Program.—The Secretary shall develop
19	and carry out a national tire fuel efficiency program
20	for tires designed for use on passenger cars and
21	light trucks.
22	"(3) REQUIREMENTS.—Not later than March
23	31, 2008, the Secretary shall issue regulations,
24	which establish—

1	"(A) policies and procedures for testing
2	and labeling tires for fuel economy to enable
3	tire buyers to make informed purchasing deci-
4	sions about the fuel economy of tires;
5	"(B) policies and procedures to promote
6	the purchase of energy efficient replacement
7	tires, including purchase incentives, website list-
8	ings on the Internet, printed fuel economy
9	guide booklets, and mandatory requirements for
10	tire retailers to provide tire buyers with fuel ef-
11	ficiency information on tires; and
12	"(C) minimum fuel economy standards for
13	tires.
14	"(4) Minimum fuel economy standards.—
15	In promulgating minimum fuel economy standards
16	for tires, the Secretary shall design standards that—
17	"(A) ensure, in conjunction with the re-
18	quirements under paragraph (3)(B), that the
19	average fuel economy of replacement tires is not
20	less than the average fuel economy of tires sold
21	as original equipment;
22	"(B) secure the maximum technically fea-
23	sible and cost-effective fuel savings;
24	"(C) do not adversely affect tire safety;
25	"(D) incorporate the results from—

1	"(i) laboratory testing; and
2	"(ii) to the extent appropriate and
3	available, on-road fleet testing programs
4	conducted by manufacturers; and
5	"(E) do not adversely affect efforts to
6	manage scrap tires.
7	"(5) Applicability.—The policies, procedures,
8	and standards developed under paragraph (3) shall
9	apply to all tire types and models regulated under
10	the uniform tire quality grading standards in section
11	575.104 of title 49, Code of Federal Regulations (or
12	a successor regulation).
13	"(6) Review.—
14	"(A) IN GENERAL.—Not less than once
15	every 3 years, the Secretary shall—
16	"(i) review the minimum fuel economy
17	standards in effect for tires under this sub-
18	section; and
19	"(ii) subject to subparagraph (B), re-
20	vise the standards as necessary to ensure
21	compliance with standards described in
22	paragraph (4).
23	"(B) Limitation.—The Secretary may
24	not reduce the average fuel economy standards
25	applicable to replacement tires.

1	"(7) NO PREEMPTION OF STATE LAW.—Noth-
2	ing in this section shall be construed to preempt any
3	provision of State law relating to higher fuel econ-
4	omy standards applicable to replacement tires de-
5	signed for use on passenger cars and light trucks.
6	"(8) Exceptions.—Nothing in this section
7	shall apply to—
8	"(A) a tire or group of tires with the same
9	stock keeping unit, plant, and year, for which
10	the volume of tires produced or imported is less
11	than 15,000 annually;
12	"(B) a deep tread, winter-type snow tire,
13	space-saver tire, or temporary use spare tire;
14	"(C) a tire with a normal rim diameter of
15	12 inches or less;
16	"(D) a motorcycle tire; or
17	"(E) a tire manufactured specifically for
18	use in an off-road motorized recreational vehi-
19	cle.".
20	(b) Conforming Amendment.—Section
21	30103(b)(1) of title 49, United States Code, is amended
22	by striking "When" and inserting "Except as provided in
23	section 30123(d), if".
24	(c) Time for Implementation.—Beginning not
25	later than March 31, 2008, the Secretary of Transpor-

- 1 tation shall administer the national tire fuel efficiency pro-
- 2 gram established under section 30123(d) of title 49,
- 3 United States Code, in accordance with the policies, proce-
- 4 dures, and standards developed under section 30123(d)(3)
- 5 of such title.
- 6 (d) AUTHORIZATION OF APPROPRIATIONS.—There
- 7 are authorized to be appropriated, for each of fiscal years
- 8 2007 through 2011, such sums as may be necessary to
- 9 carry out section 30123(d) of title 49, United States Code,
- 10 as added by subsection (a).

#### 11 SEC. 202. REDUCTION OF SCHOOL BUS IDLING.

- 12 (a) Statement of Policy.—Congress encourages
- 13 each local educational agency (as defined in section
- 14 9101(26) of the Elementary and Secondary Education Act
- 15 of 1965 (20 U.S.C. 7801(26))) that receives Federal funds
- 16 under the Elementary and Secondary Education Act of
- 17 1965 (20 U.S.C. 6301 et seq.) to develop a policy to re-
- 18 duce the incidence of school bus idling at schools while
- 19 picking up and unloading students.
- 20 (b) Authorization of Appropriations.—There
- 21 are authorized to be appropriated to the Administrator of
- 22 the Environmental Protection Agency, working in coordi-
- 23 nation with the Secretary of Education, \$5,000,000 for
- 24 each of fiscal years 2007 through 2012 for use in edu-
- 25 cating States and local education agencies about—

1	(1) benefits of reducing school bus idling; and
2	(2) ways in which school bus idling may be re-
3	duced.
4	SEC. 203. FUEL EFFICIENCY FOR HEAVY DUTY TRUCKS.
5	Part C of subtitle VI of title 49, United States Code,
6	is amended by inserting after chapter 329 the following:
7	"CHAPTER 330—HEAVY DUTY VEHICLE
8	FUEL ECONOMY STANDARDS
	"Chapter 330—Heavy Duty Vehicle Fuel Economy Standards
	"Sec. "33001. Purpose and policy. "33002. Definition. "33003. Testing and assessment. "33004. Standards. "33005. Authorization of appropriations.
9	"§ 33001. Purpose and policy
10	"The purpose of this chapter is to reduce petroleum
11	consumption by heavy duty motor vehicles.
12	"§ 33002. Definition
13	"In this chapter, the term 'heavy duty motor vehi-
14	cle'—
15	"(1) means a vehicle having a gross vehicle
16	weight rating of at least 10,000 pounds that is driv-
17	en or drawn by mechanical power and manufactured
18	primarily for use on public streets, roads, and high-
19	ways; and
20	"(2) does not include a vehicle operated only on
21	a rail line.

# " $\S$ 33003. Testing and assessment

2	"(a) General Requirements.—The Administrator
3	of the Environmental Protection Agency (referred to in
4	this section as the 'Administrator') shall develop and co-
5	ordinate a national testing and assessment program to—
6	"(1) determine the fuel economy of heavy duty
7	vehicles; and
8	"(2) assess the fuel efficiency attainable
9	through available technology.
10	"(b) Testing.—The Administrator shall—
11	"(1) design a National testing program to as-
12	sess the fuel economy of heavy duty vehicles (based
13	on the program for light duty vehicles); and
14	"(2) implement the program described in para-
15	graph (1) not later than 18 months after the date
16	of enactment of this chapter.
17	"(c) Assessment.—The Administrator shall consult
18	with the Secretary of Transportation on the assessment
19	of available technologies to enhance the fuel efficiency of
20	heavy duty vehicles to ensure that vehicle use and needs
21	are considered appropriately in the assessment.
22	"(d) Reporting.—The Administrator shall—
23	"(1) not later than 2 years after the date of en-
24	actment of this chapter, submit a report to Congress
25	regarding the results of the assessment of available

- 1 technologies to improve the fuel efficiency of heavy
- duty vehicles.
- 3 "(2) submit a report to Congress, at least bian-
- 4 nually, that addresses the fuel economy of heavy
- 5 duty vehicles; and

### 6 "§ 33004. Standards

- 7 "(a) General Requirements.—Not later than 18
- 8 months after completing the testing and assessments
- 9 under section 33003, the Secretary of Transportation
- 10 shall prescribe average heavy duty vehicle fuel economy
- 11 standards. Each standard shall be the maximum feasible
- 12 average fuel economy level that the Secretary decides that
- 13 manufacturers can achieve in that model year. The Sec-
- 14 retary may prescribe separate standards for different
- 15 classes of heavy duty motor vehicles. The standards for
- 16 each model year shall be completed not later than 18
- 17 months before the beginning of each model year.
- 18 "(b) Considerations and Consultation.—In de-
- 19 termining maximum feasible average fuel economy, the
- 20 Secretary shall consider—
- 21 "(1) relevant available heavy duty motor vehicle
- fuel consumption information;
- "(2) technological feasibility;
- 24 "(3) economic practicability;

1	"(4) the desirability of reducing United States
2	dependence on oil;
3	"(5) the effects of average fuel economy stand-
4	ards on vehicle safety;
5	"(6) the effects of average fuel economy stand-
6	ards on levels of employment and competitiveness of
7	the heavy truck manufacturing industry; and
8	"(7) the extent to which the standard will carry
9	out the purpose described in section 33001.
10	"(c) Cooperation.—The Secretary may advise, as-
11	sist, and cooperate with departments, agencies, and in-
12	strumentalities of the United States Government, States,
13	and other public and private agencies in developing fuel
14	economy standards for heavy duty motor vehicles.
15	"(d) 5-Year Plan for Testing Standards.—The
16	Secretary shall establish, periodically review, and contin-
17	ually update a 5-year plan for testing heavy duty motor
18	vehicle fuel economy standards prescribed under this chap-
19	ter. In developing and establishing testing priorities, the
20	Secretary shall consider factors the Secretary considers
21	appropriate, consistent with the purpose described in sec-
22	tion 33001 and the Secretary's other duties and powers
23	under this chapter.

## 1 " $\S$ 33005. Authorization of appropriations

2	"There are authorized to be appropriated, for each
3	of fiscal years 2007 through 2011, such sums as may be
4	necessary to carry out this chapter.".
5	SEC. 204. NEAR-TERM VEHICLE TECHNOLOGY PROGRAM.
6	(a) Purposes.—The purposes of this section are—
7	(1) to enable and promote, in partnership with
8	industry, comprehensive development, demonstra-
9	tion, and commercialization of a wide range of elec-
10	tric drive components, systems, and vehicles using
11	diverse electric drive transportation technologies;
12	(2) to make critical public investments to help
13	private industry, institutions of higher education,
14	National Laboratories, and research institutions to
15	expand innovation, industrial growth, and jobs in the
16	United States;
17	(3) to expand the availability of the existing
18	electric infrastructure for fueling light duty trans-
19	portation and other on-road and nonroad vehicles
20	that are using petroleum and are mobile sources of
21	emissions—
22	(A) including the more than 3,000,000 re-
23	ported units (such as electric forklifts, golf
24	carts, and similar nonroad vehicles) in use on

the date of enactment of this Act; and

1	(B) with the goal of enhancing the energy
2	security of the United States, reduce depend-
3	ence on imported oil, and reduce emissions
4	through the expansion of grid supported mobil-
5	ity;
6	(4) to accelerate the widespread commercializa-
7	tion of all types of electric drive vehicle technology
8	into all sizes and applications of vehicles, including
9	commercialization of plug-in hybrid electric vehicles
10	and plug-in hybrid fuel cell vehicles; and
11	(5) to improve the energy efficiency of and re-
12	duce the petroleum use in transportation.
13	(b) DEFINITIONS.—In this section:
14	(1) Battery.—The term "battery" means an
15	energy storage device used in an on-road or nonroad
16	vehicle powered in whole or in part using an off-
17	board or on-board source of electricity.
18	(2) Electric drive transportation tech-
19	NOLOGY.—The term "electric drive transportation
20	technology" means—
21	(A) vehicles that use an electric motor for
22	all or part of their motive power and that may
23	or may not use off-board electricity, including
24	battery electric vehicles, fuel cell vehicles, en-

gine dominant hybrid electric vehicles, plug-in

1	hybrid electric vehicles, plug-in hybrid fuel cell
2	vehicles, and electric rail; or
3	(B) equipment relating to transportation
4	or mobile sources of air pollution that use an
5	electric motor to replace an internal combustion
6	engine for all or part of the work of the equip-
7	ment, including corded electric equipment
8	linked to transportation or mobile sources of air
9	pollution.
10	(3) Engine dominant hybrid electric ve-
11	HICLE.—The term "engine dominant hybrid electric
12	vehicle" means an on-road or nonroad vehicle that—
13	(A) is propelled by an internal combustion
14	engine or heat engine using—
15	(i) any combustible fuel;
16	(ii) an on-board, rechargeable storage
17	device; and
18	(B) has no means of using an off-board
19	source of electricity.
20	(4) Fuel cell vehicle.—The term "fuel cell
21	vehicle" means an on-road or nonroad vehicle that
22	uses a fuel cell (as defined in section 3 of the Spark
23	M. Matsunaga Hydrogen Research, Development,
24	and Demonstration Act of 1990).

1	(5) Nonroad vehicle.—The term "nonroad
2	vehicle" has the meaning given the term in section
3	216 of the Clean Air Act (42 U.S.C. 7550).
4	(6) Plug-in hybrid electric vehicle.—The
5	term "plug-in hybrid electric vehicle" means an on-
6	road or nonroad vehicle that is propelled by an inter-
7	nal combustion engine or heat engine using—
8	(A) any combustible fuel;
9	(B) an on-board, rechargeable storage de-
10	vice; and
11	(C) a means of using an off-board source
12	of electricity.
13	(7) Plug-in hybrid fuel cell vehicle.—
14	The term "plug-in hybrid fuel cell vehicle" means a
15	fuel cell vehicle with a battery powered by an off-
16	board source of electricity.
17	(c) Program.—The Secretary shall conduct a pro-
18	gram of research, development, demonstration, and com-
19	mercial application for electric drive transportation tech-
20	nology, including—
21	(1) high capacity, high efficiency batteries;
22	(2) high efficiency on-board and off-board
23	charging components:

1	(3) high power drive train systems for pas-
2	senger and commercial vehicles and for nonroad
3	equipment;
4	(4) control system development and power train
5	development and integration for plug-in hybrid elec-
6	tric vehicles, plug-in hybrid fuel cell vehicles, and en-
7	gine dominant hybrid electric vehicles, including—
8	(A) development of efficient cooling sys-
9	tems;
10	(B) analysis and development of control
11	systems that minimize the emissions profile
12	when clean diesel engines are part of a plug-in
13	hybrid drive system; and
14	(C) development of different control sys-
15	tems that optimize for different goals, includ-
16	ing—
17	(i) battery life;
18	(ii) reduction of petroleum consump-
19	tion; and
20	(iii) green house gas reduction;
21	(5) nanomaterial technology applied to both
22	battery and fuel cell systems;
23	(6) large-scale demonstrations, testing, and
24	evaluation of plug-in hybrid electric vehicles in dif-

1	ferent applications with different batteries and con-
2	trol systems, including—
3	(A) military applications;
4	(B) mass market passenger and light-duty
5	truck applications;
6	(C) private fleet applications; and
7	(D) medium- and heavy-duty applications;
8	(7) a nationwide education strategy for electric
9	drive transportation technologies providing sec-
10	ondary and high school teaching materials and sup-
11	port for university education focused on electric
12	drive system and component engineering;
13	(8) development, in consultation with the Ad-
14	ministrator of the Environmental Protection Agency,
15	of procedures for testing and certification of criteria
16	pollutants, fuel economy, and petroleum use for
17	light-, medium-, and heavy-duty vehicle applications,
18	including consideration of—
19	(A) the vehicle and fuel as a system, not
20	just an engine; and
21	(B) nightly off-board charging; and
22	(9) advancement of battery and corded electric
23	transportation technologies in mobile source applica-
24	tions by—

1	(A) improvement in battery, drive train,
2	and control system technologies; and
3	(B) working with industry and the Admin-
4	istrator of the Environmental Protection Agen-
5	ey to—
6	(i) understand and inventory markets;
7	and
8	(ii) identify and implement methods of
9	removing barriers for existing and emerg-
10	ing applications.
11	(d) Goals.—The goals of the electric drive transpor-
12	tation technology program established under subsection
13	(c) shall be to develop, in partnership with industry and
14	institutions of higher education, projects that focus on—
15	(1) innovative electric drive technology devel-
16	oped in the United States;
17	(2) growth of employment in the United States
18	in electric drive design and manufacturing;
19	(3) validation of the plug-in hybrid potential
20	through fleet demonstrations; and
21	(4) acceleration of fuel cell commercialization
22	through comprehensive development and commer-
23	cialization of the electric drive technology systems
24	that are the foundational technology of the fuel cell
25	vehicle system.

1	(e) AUTHORIZATION OF APPROPRIATIONS.—There is
2	authorized to be appropriated to carry out this section
3	\$300,000,000 for each of fiscal years 2007 through 2012.
4	SEC. 205. LIGHTWEIGHT MATERIALS RESEARCH AND DE-
5	VELOPMENT.
6	(a) In General.—As soon as practicable after the
7	date of enactment of this Act, the Secretary of Energy
8	shall establish a research and development program to de-
9	termine ways in which—
10	(1) the weight of vehicles may be reduced to im-
11	prove fuel efficiency without compromising pas-
12	senger safety; and
13	(2) the cost of lightweight materials (such as
14	steel alloys and carbon fibers) required for the con-
15	struction of lighter-weight vehicles may be reduced.
16	(b) AUTHORIZATION OF APPROPRIATIONS.—There is
17	authorized to be appropriated to carry out this section
18	\$60,000,000 for each of fiscal years 2007 through 2012.
19	SEC. 206. HYBRID AND ADVANCED DIESEL VEHICLES.
20	(a) Hybrid Vehicles.—The Energy Policy Act of
21	2005 is amended by striking section 711 (42 U.S.C.
22	16061) and inserting the following:

- 23 "SEC. 711. HYBRID VEHICLES.
- 24 "(a) Definitions.—In this section:

1	"(1) Cost.—The term 'cost' has the meaning
2	given the term 'cost of a loan guarantee' within the
3	meaning of section 502(5)(C) of the Federal Credit
4	Reform Act of 1990 (2 U.S.C. 661a(5)(C)).
5	"(2) ELIGIBLE PROJECT.—The term 'eligible
6	project' means a project to—
7	"(A) improve hybrid technologies under
8	subsection (b); or
9	"(B) encourage domestic production of ef-
10	ficient hybrid and advanced diesel vehicles
11	under section 712(a).
12	"(3) Guarantee.—
13	"(A) IN GENERAL.—The term 'guarantee'
14	has the meaning given the term 'loan guar-
15	antee' in section 502 of the Federal Credit Re-
16	form Act of 1990 (2 U.S.C. 661a).
17	"(B) Inclusion.—The term 'guarantee'
18	includes a loan guarantee commitment (as de-
19	fined in section 502 of the Federal Credit Re-
20	form Act of 1990 (2 U.S.C. 661a)).
21	"(4) Hybrid Technology.—The term 'hybrid
22	technology' means a battery or other rechargeable
23	energy storage system, power electronic, hybrid sys-
24	tems integration, and any other technology for use
25	in hybrid vehicles.

1	"(5) Obligation.—The term 'obligation'
2	means the loan or other debt obligation that is guar-
3	anteed under this section.
4	"(b) Authorization.—The Secretary shall accel-
5	erate efforts directed toward the improvement of hybrid
6	technologies, including through the provision of loan guar-
7	antees under subsection (c).
8	"(c) Loan Guarantees.—
9	"(1) IN GENERAL.—The Secretary shall make
10	guarantees under this section for eligible projects on
11	such terms and conditions as the Secretary, in con-
12	sultation with the Secretary of the Treasury, deter-
13	mines to be appropriate.
14	"(2) Specific appropriation or contribu-
15	TION.—No guarantee shall be made unless—
16	"(A) an appropriation for the cost has
17	been made; or
18	"(B) the Secretary has received from the
19	borrower a payment in full for the cost of the
20	obligation and deposited the payment into the
21	Treasury.
22	"(3) Amount.—Unless otherwise provided by
23	law, a guarantee by the Secretary shall not exceed
24	an amount equal to 80 percent of the project cost
25	of the hybrid technology that is the subject of the

1 guarantee, as estimated at the time at which the 2 guarantee is issued. 3 "(4) Repayment.— "(A) IN GENERAL.—No guarantee shall be 4 5 made unless the Secretary determines that 6 there is a reasonable prospect of repayment of 7 the principal and interest on the obligation by 8 the borrower. 9 "(B) AMOUNT.—No guarantee shall be 10 made unless the Secretary determines that the 11 amount of the obligation (when combined with 12 amounts available to the borrower from other 13 sources) will be sufficient to carry out the 14 project. "(C) 15 SUBORDINATION.—The obligation 16 shall be subject to the condition that the obliga-17 tion is not subordinate to other financing. 18 "(5) Interest rate.—An obligation shall bear 19 interest at a rate that does not exceed a level that 20 the Secretary determines appropriate, taking into 21 account the prevailing rate of interest in the private 22 sector for similar loans and risks. 23 "(6) TERM.—The term of an obligation shall 24 require full repayment over a period not to exceed

the lesser of—

1	"(A) 30 years; or
2	"(B) 90 percent of the projected useful life
3	of the physical asset to be financed by the obli-
4	gation (as determined by the Secretary).
5	"(7) Defaults.—
6	"(A) Payment by Secretary.—
7	"(i) In general.—If a borrower de-
8	faults on the obligation (as defined in reg-
9	ulations promulgated by the Secretary and
10	specified in the guarantee contract), the
11	holder of the guarantee shall have the
12	right to demand payment of the unpaid
13	amount from the Secretary.
14	"(ii) Payment required.—Within
15	such period as may be specified in the
16	guarantee or related agreements, the Sec-
17	retary shall pay to the holder of the guar-
18	antee the unpaid interest on, and unpaid
19	principal of the obligation as to which the
20	borrower has defaulted, unless the Sec-
21	retary finds that—
22	"(I) there was no default by the
23	borrower in the payment of interest or
24	principal: or

1	"(II) the default has been rem-
2	edied.
3	"(iii) Forbearance.—Nothing in
4	this subsection precludes any forbearance
5	by the holder of the obligation for the ben-
6	efit of the borrower that may be agreed
7	upon by the parties to the obligation and
8	approved by the Secretary.
9	"(B) Subrogation.—
10	"(i) In General.—If the Secretary
11	makes a payment under subparagraph (A),
12	the Secretary shall be subrogated to the
13	rights of the recipient of the payment as
14	specified in the guarantee or related agree-
15	ments including, where appropriate, the
16	authority (notwithstanding any other pro-
17	vision of law) to—
18	"(I) complete, maintain, operate,
19	lease, or otherwise dispose of any
20	property acquired pursuant to the
21	guarantee or related agreements; or
22	"(II) permit the borrower, pursu-
23	ant to an agreement with the Sec-
24	retary, to continue to pursue the pur-
25	poses of the eligible project, as the

1	Secretary determines to be in the pub-
2	lic interest.
3	"(ii) Superiority of rights.—The
4	rights of the Secretary, with respect to any
5	property acquired pursuant to a guarantee
6	or related agreement, shall be superior to
7	the rights of any other person with respect
8	to the property.
9	"(iii) Terms and conditions.—A
10	guarantee agreement shall include such de-
11	tailed terms and conditions as the Sec-
12	retary determines appropriate to—
13	"(I) protect the interests of the
14	United States in the case of default;
15	and
16	"(II) have available all the pat-
17	ents and technology necessary for any
18	person selected, including the Sec-
19	retary, to complete and operate the el-
20	igible project.
21	"(C) Payment of Principal and Inter-
22	EST BY SECRETARY.—With respect to any obli-
23	gation guaranteed under this section, the Sec-
24	retary may enter into a contract to pay, and
25	pay, holders of the obligation, for and on behalf

1	of the borrower, from funds appropriated for
2	that purpose, the principal and interest pay-
3	ments that become due and payable on the un-
4	paid balance of the obligation if the Secretary
5	finds that—
6	``(i)(I) the borrower is unable to meet
7	the payments and is not in default;
8	"(II) it is in the public interest to per-
9	mit the borrower to continue to pursue the
10	purposes of the eligible project; and
11	"(III) the probable net benefit to the
12	Federal Government in paying the prin-
13	cipal and interest will be greater than the
14	benefit that would result in the event of a
15	default;
16	"(ii) the amount of the payment that
17	the Secretary is authorized to pay will be
18	no greater than the amount of principal
19	and interest that the borrower is obligated
20	to pay under the agreement being guaran-
21	teed; and
22	"(iii) the borrower agrees to reim-
23	burse the Secretary for the payment (in-
24	cluding interest) on terms and conditions
25	that are satisfactory to the Secretary.

1	"(D) ACTION BY ATTORNEY GENERAL.—
2	"(i) Notification.—If the borrower
3	defaults on an obligation, the Secretary
4	shall notify the Attorney General of the de-
5	fault.
6	"(ii) Recovery.—On receipt of noti-
7	fication, the Attorney General shall take
8	such action as the Attorney General deter-
9	mines to be appropriate to recover the un-
10	paid principal and interest due from—
11	"(I) such assets of the defaulting
12	borrower as are associated with the
13	obligation; or
14	"(II) any other security pledged
15	to secure the obligation.
16	"(8) Fees.—
17	"(A) IN GENERAL.—The Secretary shall
18	charge and collect fees for guarantees in
19	amounts the Secretary determines are sufficient
20	to cover applicable administrative expenses.
21	"(B) AVAILABILITY.—Fees collected under
22	this paragraph shall—
23	"(i) be deposited by the Secretary into
24	the Treasury; and

1	"(ii) remain available until expended
2	subject to such other conditions as are con-
3	tained in annual appropriations Acts.
4	"(9) Records; audits.—
5	"(A) In general.—A recipient of a guar-
6	antee shall keep such records and other perti-
7	nent documents as the Secretary shall prescribe
8	by regulation, including such records as the
9	Secretary may require to facilitate an effective
10	audit.
11	"(B) Access.—The Secretary and the
12	Comptroller General of the United States, or
13	their duly authorized representatives, shall have
14	access, for the purpose of audit, to the records
15	and other pertinent documents.
16	"(10) Full faith and credit.—The full
17	faith and credit of the United States is pledged to
18	the payment of all guarantees issued under this sec-
19	tion with respect to principal and interest.
20	"(d) Authorization of Appropriations.—There
21	are authorized to be appropriated such sums as are nec-
22	essary to provide the cost of guarantees under this sec-
23	tion.".
24	(b) EFFICIENT HYBRID AND ADVANCED DIESEL VE-
25	HICLES.—Section 712(a) of the Energy Policy Act of 2005

1	(42 U.S.C. 16062(a)) is amended in the second sentence
2	by striking "grants to automobile manufacturers" and in-
3	serting "grants and the provision of loan guarantees under
4	section 711(c) to automobile manufacturers and sup-
5	pliers".
6	SEC. 207. ADVANCED TECHNOLOGY MOTOR VEHICLES MAN
7	UFACTURING CREDIT.
8	(a) In General.—Subpart B of part IV of sub-
9	chapter A of chapter 1 of the Internal Revenue Code of
10	1986 (relating to foreign tax credit, etc.) is amended by
11	adding at the end the following new section:
12	"SEC. 30D. ADVANCED TECHNOLOGY MOTOR VEHICLES
13	MANUFACTURING CREDIT.
14	"(a) Credit Allowed.—There shall be allowed as
15	a credit against the tax imposed by this chapter for the
16	taxable year an amount equal to 35 percent of so much
17	of the qualified investment of an eligible taxpayer for such
18	taxable year as does not exceed \$75,000,000.
19	"(b) QUALIFIED INVESTMENT.—For purposes of this
20	section—
21	"(1) IN GENERAL.—The qualified investment
22	for any taxable year is equal to the incremental costs
23	incurred during such taxable year—
24	"(A) to re-equip, expand, or establish any
25	manufacturing facility of the eligible taxpayer

1	to produce advanced technology motor vehicles
2	or to produce eligible components,
3	"(B) for engineering integration of such
4	vehicles and components as described in sub-
5	section (d), and
6	"(C) for research and development related
7	to advanced technology motor vehicles and eligi-
8	ble components.
9	"(2) Attribution rules.—In the event a fa-
10	cility of the eligible taxpayer produces both advanced
11	technology motor vehicles and conventional motor
12	vehicles, or eligible and non-eligible components, only
13	the qualified investment attributable to production
14	of advanced technology motor vehicles and eligible
15	components shall be taken into account.
16	"(c) Advanced Technology Motor Vehicles
17	AND ELIGIBLE COMPONENTS.—For purposes of this sec-
18	tion—
19	"(1) Advanced technology motor vehi-
20	CLE.—The term 'advanced technology motor vehicle'
21	means—
22	"(A) any new advanced lean burn tech-
23	nology motor vehicle (as defined in section
24	30B(e)(3)), or

1	"(B) any new qualified hybrid motor vehi-
2	cle (as defined in section 30B(d)(2)(A) and de-
3	termined without regard to any gross vehicle
4	weight rating).
5	"(2) Eligible components.—The term 'eligi-
6	ble component' means any component inherent to
7	any advanced technology motor vehicle, including—
8	"(A) with respect to any gasoline or diesel-
9	electric new qualified hybrid motor vehicle—
10	"(i) electric motor or generator,
11	"(ii) power split device,
12	"(iii) power control unit,
13	"(iv) power controls,
14	"(v) integrated starter generator, or
15	"(vi) battery,
16	"(B) with respect to any hydraulic new
17	qualified hybrid motor vehicle—
18	"(i) hydraulic accumulator vessel,
19	"(ii) hydraulic pump, or
20	"(iii) hydraulic pump-motor assembly,
21	"(C) with respect to any new advanced
22	lean burn technology motor vehicle—
23	"(i) diesel engine,
24	"(ii) turbocharger,
25	"(iii) fuel injection system, or

1	"(iv) after-treatment system, such as
2	a particle filter or NOx absorber, and
3	"(D) with respect to any advanced tech-
4	nology motor vehicle, any other component sub-
5	mitted for approval by the Secretary.
6	"(d) Engineering Integration Costs.—For pur-
7	poses of subsection (b)(1)(B), costs for engineering inte-
8	gration are costs incurred prior to the market introduction
9	of advanced technology vehicles for engineering tasks re-
10	lated to—
11	"(1) establishing functional, structural, and
12	performance requirements for component and sub-
13	systems to meet overall vehicle objectives for a spe-
14	cific application,
15	"(2) designing interfaces for components and
16	subsystems with mating systems within a specific ve-
17	hicle application,
18	"(3) designing cost effective, efficient, and reli-
19	able manufacturing processes to produce components
20	and subsystems for a specific vehicle application,
21	and
22	"(4) validating functionality and performance of
23	components and subsystems for a specific vehicle ap-
24	plication.

"(e) Eligible Taxpayer.—For purposes of this sec-1 tion, the term 'eligible taxpayer' means any taxpayer if more than 50 percent of its gross receipts for the taxable 3 4 year is derived from the manufacture of motor vehicles 5 or any component parts of such vehicles. 6 "(f) Limitation Based on Amount of Tax.—The credit allowed under subsection (a) for the taxable year 8 shall not exceed the excess of— 9 "(1) the sum of— 10 "(A) the regular tax liability (as defined in 11 section 26(b)) for such taxable year, plus 12 "(B) the tax imposed by section 55 for 13 such taxable year and any prior taxable year 14 beginning after 1986 and not taken into ac-15 count under section 53 for any prior taxable 16 year, over 17 "(2) the sum of the credits allowable under sub-18 part A and sections 27, 30, and 30B for the taxable 19 year. "(g) REDUCTION IN BASIS.—For purposes of this 20 21 subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in 23 the basis of such property which would (but for this paragraph) result from such expenditure shall be reduced by the amount of the credit so allowed.

## "(h) No Double Benefit.—

"(1) COORDINATION WITH OTHER DEDUCTIONS
AND CREDITS.—Except as provided in paragraph
(2), the amount of any deduction or other credit allowable under this chapter for any cost taken into
account in determining the amount of the credit
under subsection (a) shall be reduced by the amount
of such credit attributable to such cost.

## "(2) Research and Development Costs.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any amount described in subsection (b)(1)(C) taken into account in determining the amount of the credit under subsection (a) for any taxable year shall not be taken into account for purposes of determining the credit under section 41 for such taxable year.

"(B) Costs taken into account in De-Termining base period research ex-Penses.—Any amounts described in subsection (b)(1)(C) taken into account in determining the amount of the credit under subsection (a) for any taxable year which are qualified research expenses (within the meaning of section 41(b)) shall be taken into account in determining base

- 1 period research expenses for purposes of apply-
- 2 ing section 41 to subsequent taxable years.
- 3 "(i) Business Carryovers Allowed.—If the cred-
- 4 it allowable under subsection (a) for a taxable year exceeds
- 5 the limitation under subsection (f) for such taxable year,
- 6 such excess (to the extent of the credit allowable with re-
- 7 spect to property subject to the allowance for depreciation)
- 8 shall be allowed as a credit carryback and carryforward
- 9 under rules similar to the rules of section 39.
- 10 "(j) Special Rules.—For purposes of this section,
- 11 rules similar to the rules of paragraphs (4) and (5) of sec-
- 12 tion 179A(e) and paragraphs (1) and (2) of section 41(f)
- 13 shall apply
- 14 "(k) Election Not to Take Credit.—No credit
- 15 shall be allowed under subsection (a) for any property if
- 16 the taxpayer elects not to have this section apply to such
- 17 property.
- 18 "(1) Regulations.—The Secretary shall prescribe
- 19 such regulations as necessary to carry out the provisions
- 20 of this section.
- 21 "(m) TERMINATION.—This section shall not apply to
- 22 any qualified investment after December 31, 2015.".
- 23 (b) Conforming Amendments.—
- 24 (1) Section 1016(a) of the Internal Revenue
- Code of 1986 is amended by striking "and" at the

- 1 end of paragraph (35), by striking the period at the
- 2 end of paragraph (36) and inserting ", and", and by
- adding at the end the following new paragraph:
- 4 "(37) to the extent provided in section
- 5 30D(g).".
- 6 (2) Section 6501(m) of such Code is amended
- 7 by inserting "30D(k)," after "30C(e)(5),".
- 8 (3) The table of sections for subpart B of part
- 9 IV of subchapter A of chapter 1 of such Code is
- amended by inserting after the item relating to sec-
- tion 30C the following new item:

"Sec. 30D. Advanced technology motor vehicles manufacturing credit.".

- (c) Effective Date.—The amendments made by
- 13 this section shall apply to amounts incurred in taxable
- 14 years beginning after December 31, 2005.
- 15 SEC. 208. CONSUMER INCENTIVES TO PURCHASE AD-
- 16 VANCED TECHNOLOGY VEHICLES.
- 17 (a) Elimination on Number of New Qualified
- 18 Hybrid and Advanced Lean Burn Technology Ve-
- 19 HICLES ELIGIBLE FOR ALTERNATIVE MOTOR VEHICLE
- 20 Credit.—
- 21 (1) IN GENERAL.—Section 30D of the Internal
- Revenue Code of 1986 is amended by striking sub-
- section (f) and by redesignating subsections (g)
- 24 through (j) as subsections (f) through (i), respec-
- 25 tively.

1	(2) Conforming amendments.—
2	(A) Paragraphs (4) and (6) of section
3	30B(h) of the Internal Revenue Code of 1986
4	are each amended amended by striking "(deter-
5	mined without regard to subsection (g))" and
6	inserting "determined without regard to sub-
7	section (f))".
8	(B) Section 38(b)(25) of such Code is
9	amended by striking "section 30B(g)(1)" and
10	inserting "section 30B(f)(1)".
11	(C) Section $55(c)(2)$ of such Code is
12	amended by striking "section 30B(g)(2)" and
13	inserting "section 30B(f)(2)".
14	(D) Section 1016(a)(36) of such Code is
15	amended by striking "section 30B(h)(4)" and
16	inserting "section 30B(g)(4)".
17	(E) Section 6501(m) of such Code is
18	amended by striking "section 30B(h)(9)" and
19	inserting "section 30B(g)(9)".
20	(b) Extension of Alternative Vehicle Credit
21	FOR NEW QUALIFIED HYBRID MOTOR VEHICLES.—Para-
22	graph (3) of section 30B(i) of the Internal Revenue Code
23	of 1986 (as redesignated by subsection (a)) is amended
24	by striking "December 31, 2009" and inserting "Decem-
25	ber 31, 2010".

- 1 (c) Effective Date.—The amendments made by
- 2 this section shall apply to property placed in service after
- 3 December 31, 2005, in taxable years ending after such
- 4 date.

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## 5 SEC. 209. FEDERAL FLEET REQUIREMENTS.

- 6 (a) Regulations.—
- 7 (1) IN GENERAL.—The Secretary of Energy 8 shall issue regulations for Federal fleets subject to 9 the Energy Policy Act of 1992 (42 U.S.C. 13201 et 10 seq.) requiring that not later than fiscal year 2016 11 each Federal agency achieve at least a 30 percent 12 reduction in petroleum consumption, as calculated 13 from the baseline established by the Secretary for 14 fiscal year 1999.
  - (2) REQUIREMENT.—Not later than fiscal year 2016, of the Federal vehicles required to be alternative fueled vehicles under title V of the Energy Policy Act of 1992 (42 U.S.C. 13251 et seq.), at least 30 percent shall be hybrid motor vehicles (including plug-in hybrid motor vehicles) or new advanced lean burn technology motor vehicles (as defined in section 30B(c)(3) of the Internal Revenue Code of 1986).

1	(b) Inclusion of Electric Drive in Energy
2	Policy Act of 1992.—Section 508(a) of the Energy Pol-
3	icy Act of 1992 (42 U.S.C. 13258(a)) is amended—
4	(1) by inserting "(1)" before "The Secretary";
5	and
6	(2) by adding at the end the following:
7	"(2) Not later than January 31, 2007, the Secretary
8	shall—
9	"(A) allocate credit in an amount to be deter-
10	mined by the Secretary for—
11	"(i) acquisition of—
12	"(I) a light-duty hybrid electric vehi-
13	cle;
14	"(II) a plug-in hybrid electric vehicle;
15	"(III) a fuel cell electric vehicle;
16	"(IV) a medium- or heavy-duty hybrid
17	electric vehicle;
18	"(V) a neighborhood electric vehicle;
19	or
20	"(VI) a medium- or heavy-duty dedi-
21	cated vehicle; and
22	"(ii) investment in qualified alternative
23	fuel infrastructure or nonroad equipment, as
24	determined by the Secretary; and

- 1 "(B) allocate more than 1, but not to exceed 5,
- 2 credits for investment in an emerging technology re-
- 3 lating to any vehicle described in subparagraph (A)
- 4 to encourage—
- 5 "(i) a reduction in petroleum demand;
- 6 "(ii) technological advancement; and
- 7 "(iii) environmental safety.".
- 8 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
- 9 authorized to be appropriated to carry out this section (in-
- 10 cluding the amendments made by subsection (b))
- 11 \$10,000,000 for the period of fiscal years 2007 through
- 12 2012.
- 13 SEC. 210. TAX INCENTIVES FOR PRIVATE FLEETS.
- 14 (a) IN GENERAL.—Subpart E of part IV of sub-
- 15 chapter A of chapter 1 of the Internal Revenue Code of
- 16 1986 is amended by inserting after section 48B the fol-
- 17 lowing new section:
- 18 "SEC. 48C. FUEL-EFFICIENT FLEET CREDIT.
- 19 "(a) General Rule.—For purposes of section 46,
- 20 the fuel-efficient fleet credit for any taxable year is 15 per-
- 21 cent of the qualified fuel-efficient vehicle investment
- 22 amount of an eligible taxpayer for such taxable year.
- 23 "(b) Vehicle Purchase Requirement.—In the
- 24 case of any eligible taxpayer which places less than 10
- 25 qualified fuel-efficient vehicles in service during the tax-

- 1 able year, the qualified fuel-efficient vehicle investment
- 2 amount shall be zero.
- 3 "(c) Qualified Fuel-Efficient Vehicle Invest-
- 4 MENT AMOUNT.—For purposes of this section—
- 5 "(1) IN GENERAL.—The term 'qualified fuel-ef-
- 6 ficient vehicle investment amount' means the basis
- 7 of any qualified fuel-efficient vehicle placed in serv-
- 8 ice by an eligible taxpayer during the taxable year.
- 9 "(2) Qualified fuel-efficient vehicle.—
- The term 'qualified fuel-efficient vehicle' means an
- automobile which has a fuel economy which is at
- least 125 percent greater than the average fuel econ-
- omy standard for an automobile of the same class
- and model year.
- 15 "(3) OTHER TERMS.—The terms 'automobile',
- 16 'average fuel economy standard', 'fuel economy', and
- 17 'model year' have the meanings given to such terms
- under section 32901 of title 49, United States Code.
- 19 "(d) Eligible Taxpayer.—The term 'eligible tax-
- 20 payer' means, with respect to any taxable year, a taxpayer
- 21 who owns a fleet of 100 or more vehicles which are used
- 22 in the trade or business of the taxpayer on the first day
- 23 of such taxable year.
- "(e) TERMINATION.—This section shall not apply to
- 25 any vehicle placed in service after December 31, 2010.".

1	(b) Credit Treated as Part of Investment
2	CREDIT.—Section 46 of the Internal Revenue Code of
3	1986 is amended by striking "and" at the end of para-
4	graph (3), by striking the period at the end of paragraph
5	(4) and inserting ", and", and by adding at the end the
6	following new paragraph:
7	"(5) the fuel-efficient fleet credit.".
8	(c) Conforming Amendments.—
9	(1) Section 49(a)(1)(C) of the Internal Revenue
10	Code of 1986 is amended by striking "and" at the
11	end of clause (iii), by striking the period at the end
12	of clause (iv) and inserting ", and", and by adding
13	at the end the following new clause:
10	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
14	"(v) the basis of any qualified fuel-ef-
14	"(v) the basis of any qualified fuel-ef-
14 15	"(v) the basis of any qualified fuel-ef- ficient vehicle which is taken into account
<ul><li>14</li><li>15</li><li>16</li></ul>	"(v) the basis of any qualified fuel-efficient vehicle which is taken into account under section 48C.".
<ul><li>14</li><li>15</li><li>16</li><li>17</li></ul>	"(v) the basis of any qualified fuel-efficient vehicle which is taken into account under section 48C.".  (2) The table of sections for subpart E of part
14 15 16 17 18	"(v) the basis of any qualified fuel-efficient vehicle which is taken into account under section 48C.".  (2) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is
<ul><li>14</li><li>15</li><li>16</li><li>17</li><li>18</li><li>19</li></ul>	"(v) the basis of any qualified fuel-efficient vehicle which is taken into account under section 48C.".  (2) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to sec-
<ul><li>14</li><li>15</li><li>16</li><li>17</li><li>18</li><li>19</li></ul>	"(v) the basis of any qualified fuel-efficient vehicle which is taken into account under section 48C.".  (2) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 48 the following new item:
14 15 16 17 18 19 20	"(v) the basis of any qualified fuel-efficient vehicle which is taken into account under section 48C.".  (2) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 48 the following new item:  "Sec. 48C. Fuel-efficient fleet credit.".
14 15 16 17 18 19 20	"(v) the basis of any qualified fuel-efficient vehicle which is taken into account under section 48C.".  (2) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 48 the following new item:  "Sec. 48C. Fuel-efficient fleet credit.".  (d) Effective Date.—The amendments made by
14 15 16 17 18 19 20 21 22	"(v) the basis of any qualified fuel-efficient vehicle which is taken into account under section 48C.".  (2) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 48 the following new item:  "Sec. 48C. Fuel-efficient fleet credit.".  (d) Effective Date.—The amendments made by this section shall apply to periods after December 31,

1	of the enactment of the Revenue Reconciliation Act of
2	1990).
3	SEC. 211. REDUCING INCENTIVES TO GUZZLE GAS.
4	(a) Inclusion of Heavy Vehicles in Limitation
5	on Depreciation of Certain Luxury Auto-
6	MOBILES.—
7	(1) In general.—Section 280F(d)(5)(A) of
8	the Internal Revenue Code of 1986 (defining pas-
9	senger automobile) is amended—
10	(A) by striking clause (ii) and inserting the
11	following new clause:
12	"(ii)(I) which is rated at 6,000
13	pounds unloaded gross vehicle weight or
14	less, or
15	"(II) which is rated at more than
16	6,000 pounds but not more than 14,000
17	pounds gross vehicle weight.",
18	(B) by striking "clause (ii)" in the second
19	sentence and inserting "clause (ii)(I)".
20	(2) Exception for vehicles used in farm-
21	ING BUSINESS.—Section 280F(d)(5)(B) of such
22	Code (relating to exception for certain vehicles) is
23	amended by striking "and" at the end of clause (ii),
24	by redesignating clause (iii) as clause (iv), and by in-
25	serting after clause (ii) the following new clause:

1	"(iii) any vehicle used in a farming
2	business (as defined in section 263A(e)(4),
3	and".
4	(3) Effective date.—The amendments made
5	by this subsection shall apply to property placed in
6	service after the date of the enactment of this Act.
7	(b) Updated Depreciation Deduction Limits.—
8	(1) In General.—Subparagraph (A) of section
9	280F(a)(1) of the Internal Revenue Code of 1986
10	(relating to limitation on amount of depreciation for
11	luxury automobiles) is amended to read as follows:
12	"(I) LIMITATION.—The amount of the de-
13	preciation deduction for any taxable year shall
14	not exceed for any passenger automobile—
15	"(i) for the 1st taxable year in the re-
16	covery period—
17	"(I) described in subsection
18	(d)(5)(A)(ii)(I), \$4,000,
19	"(II) described in the second sen-
20	tence of subsection $(d)(5)(A)$ , \$5,000,
21	and
22	"(III) described in subsection
23	(d)(5)(A)(ii)(II), \$6,000,
24	"(ii) for the 2nd taxable year in the
25	recovery period—

1	"(I) described in subsection
2	(d)(5)(A)(ii)(I), \$6,400,
3	"(II) described in the second sen-
4	tence of subsection $(d)(5)(A)$ , \$8,000,
5	and
6	"(III) described in subsection
7	(d)(5)(A)(ii)(II), \$9,600,
8	"(iii) for the 3rd taxable year in the
9	recovery period—
10	"(I) described in subsection
11	(d)(5)(A)(ii)(I), \$3,850,
12	"(II) described in the second sen-
13	tence of subsection $(d)(5)(A)$ , \$4,800,
14	and
15	"(III) described in subsection
16	(d)(5)(A)(ii)(II), \$5,775, and
17	"(iv) for each succeeding taxable year
18	in the recovery period—
19	"(I) described in subsection
20	(d)(5)(A)(ii)(I), \$2,325,
21	"(II) described in the second sen-
22	tence of subsection $(d)(5)(A)$ , \$2,900,
23	and
24	"(III) described in subsection
25	(d)(5)(A)(ii)(II), \$3,475.".

1	(2) Years after recovery period.—Section
2	280F(a)(1)(B)(ii) of such Code is amended to read
3	as follows:
4	"(ii) Limitation.—The amount treat-
5	ed as an expense under clause (i) for any
6	taxable year shall not exceed for any pas-
7	senger automobile—
8	"(I) described in subsection
9	(d)(5)(A)(ii)(I), \$2,325,
10	"(II) described in the second sen-
11	tence of subsection $(d)(5)(A)$ , \$2,900,
12	and
13	"(III) described in subsection
14	(d)(5)(A)(ii)(II), \$3,475.".
15	(3) Inflation adjustment.—Section
16	280F(d)(7) of such Code (relating to automobile
17	price inflation adjustment) is amended—
18	(A) by striking "after 1988" in subpara-
19	graph (A) and inserting "after 2006", and
20	(B) by striking subparagraph (B) and in-
21	serting the following new subparagraph:
22	"(B) Automobile price inflation ad-
23	JUSTMENT.—For purposes of this paragraph—

1	"(i) In General.—The automobile
2	price inflation adjustment for any calendar
3	year is the percentage (if any) by which—
4	"(I) the average wage index for
5	the preceding calendar year, exceeds
6	"(II) the average wage index for
7	2005.
8	"(ii) Average wage index.—The
9	term 'average wage index' means the aver-
10	age wage index published by the Social Se-
11	curity Administration.".
12	(4) Effective date.—The amendments made
13	by this subsection shall apply to property placed in
14	service after the date of the enactment of this Act.
15	(c) Expensing Limitation for Farm Vehicles.—
16	(1) In general.—Paragraph (6) of section
17	179(b) of the Internal Revenue Code of 1986 (relat-
18	ing to limitations) is amended to read as follows:
19	"(6) Limitation on cost taken into ac-
20	COUNT FOR FARM VEHICLES.—The cost of any vehi-
21	cle described in section 280F(d)(5)(B)(iii) for any
22	taxable year which may be taken into account under
23	this section shall not exceed \$30,000.".

1	(2) Effective date.—The amendment made
2	by this subsection shall apply to property placed in
3	service after the date of the enactment of this Act.
4	SEC. 212. INCREASING THE EFFICIENCY OF MOTOR VEHI-
5	CLES.
6	(a) Definitions.—In this section:
7	(1) Alternative fuel.—The term "alter-
8	native fuel" has the meaning given the term in sec-
9	tion 32901(a) of title 49, United States Code.
10	(2) E85.—The term "E85" means a fuel blend
11	containing 85 percent ethanol and 15 percent gaso-
12	line or diesel by volume.
13	(3) FLEXIBLE FUEL MOTOR VEHICLE.—The
14	term "flexible fuel motor vehicle" means a light duty
15	motor vehicle warrantied by the manufacturer of the
16	vehicle to operate on any combination of gasoline,
17	E85, and M85.
18	(4) Hybrid motor vehicle.—The term "hy-
19	brid motor vehicle" means a new qualified hybrid
20	motor vehicle (as defined in section 30B(d)(3) of the
21	Internal Revenue Code of 1986) that achieves at
22	least 125 percent of the model year 2002 city fuel
23	economy.
24	(5) Light-duty motor vehicle.—The term
25	"light-duty motor vehicle" means, as defined in reg-

1	ulations promulgated by the Administrator of the
2	Environmental Protection Agency in effect on the
3	date of enactment of this Act—
4	(A) a light-duty truck; or
5	(B) a light-duty vehicle.
6	(6) M85.—The term "M85" means a fuel blend
7	containing 85 percent methanol and 15 percent gas-
8	oline or diesel by volume.
9	(7) Plug-in hybrid motor vehicle.—The
10	term "plug-in hybrid electric vehicle" means a hy-
11	brid motor vehicle that—
12	(A) has an onboard, rechargeable storage
13	device capable of propelling the vehicle solely by
14	electricity for at least 10 miles; and
15	(B) achieves at least 125 percent of the
16	model year 2002 city fuel economy.
17	(8) QUALIFIED MOTOR VEHICLE.—The term
18	"qualified motor vehicle" means—
19	(A) a new advanced lean burn technology
20	motor vehicle (as defined in section $30B(c)(3)$
21	of the Internal Revenue Code of 1986) that
22	achieves at least 125 percent of the model year
23	2002 city fuel economy;

I	(B) an alternative fueled automobile (as
2	defined in section 32901(a) of title 49, United
3	States Code);
4	(C) a flexible fuel motor vehicle;
5	(D) a new qualified fuel cell motor vehicle
6	(as defined in section $30B(b)(3)$ of the Internal
7	Revenue Code of 1986);
8	(E) a hybrid motor vehicle;
9	(F) a plug-in hybrid motor vehicle; and
10	(G) any other appropriate motor vehicle
11	that uses substantially new technology and
12	achieve at least 175 percent of the model year
13	2002 city fuel economy, as determined by the
14	Secretary of Transportation, by regulation.
15	(b) Requirements.—
16	(1) Model year 2012.—Not less than 10 per-
17	cent of light-duty motor vehicles manufactured for
18	model year 2012 and sold in the United States shall
19	be qualified motor vehicles.
20	(2) Model year 2013.—Not less than 20 per-
21	cent of light-duty motor vehicles manufactured for
22	model year 2013 and sold in the United States shall
23	be qualified motor vehicles.
24	(3) Model year 2014.—Not less than 30 per-
25	cent of light-duty motor vehicles manufactured for

1	model year 2014 and sold in the United States shall
2	be qualified motor vehicles.
3	(4) Model year 2015.—Not less than 40 per-
4	cent of light-duty motor vehicles manufactured for
5	model year 2015 shall be qualified motor vehicles.
6	(5) Model year 2016.—Not less than 50 per-
7	cent of light-duty motor vehicles manufactured for
8	model year 2016 shall be qualified motor vehicles.
9	(6) Model years 2017 and thereafter.—
10	Not less than 50 percent of light-duty motor vehicles
11	manufactured for model year 2017 and each model
12	year thereafter and sold in the United States shall
13	be qualified motor vehicles, of which not less than
14	10 percent shall be—
15	(A) hybrid motor vehicles;
16	(B) plug-in hybrid motor vehicles;
17	(C) new advanced lean burn technology
18	motor vehicles (as defined in section 30B(c)(3)
19	of the Internal Revenue Code of 1986);
20	(D) new qualified fuel cell motor vehicles
21	(as defined in section 30B(b)(3) of the Internal
22	Revenue Code of 1986); or
23	(E) any other appropriate motor vehicle
24	that uses substantially new technology and
25	achieve at least 175 percent of the model year

1	2002 city fuel economy, as determined by the
2	Secretary of Transportation, by regulation.
3	(c) Rulemaking.—Not later than 1 year after the
4	date of enactment of this Act, the Secretary of Transpor-
5	tation shall promulgate regulations to carry out this sec-
6	tion.
7	TITLE III—FUEL CHOICES FOR
8	THE 21ST CENTURY
9	SEC. 301. INCREASE IN ALTERNATIVE FUEL VEHICLE RE-
10	FUELING PROPERTY CREDIT.
11	(a) In General.—Subsection (a) of section 30C of
12	the Internal Revenue Code of 1986 is amended by striking
13	"30 percent" and inserting "50 percent".
14	(b) Effective Date.—The amendment made by
15	this section shall apply to property placed in service after
16	December 31, 2005, in taxable years ending after such
17	date.
18	SEC. 302. USE OF CAFÉ PENALTIES TO BUILD ALTERNATIVE
19	FUELING INFRASTRUCTURE.
20	Section 32912 of title 49, United States Code, is
21	amended by adding at the end the following
22	"(e) Alternative Fueling Infrastructure
23	TRUST FUND.—(1) There is established in the Treasury
24	of the United States a trust fund, to be known as the
25	Alternative Fueling Infrastructure Trust Fund, consisting

- 1 of such amounts as are deposited into the Trust Fund
- 2 under paragraph (2) and any interest earned on invest-
- 3 ment of amounts in the Trust Fund.
- 4 "(2) The Secretary of Transportation shall remit 90
- 5 percent of the amount collected in civil penalties under
- 6 this section to the Trust Fund.
- 7 "(3)(A) The Secretary of Energy shall obligate such
- 8 sums as are available in the Trust Fund to establish a
- 9 grant program to increase the number of locations at
- 10 which consumers may purchase alternative fuels.
- 11 "(B)(i) The Secretary of Energy may award grants
- 12 under this paragraph, in an amount equal to not more
- 13 than \$150,000 per fueling station, to—
- 14 "(I) individual fueling stations; and
- 15 "(II) corporations (including nonprofit corpora-
- tions) with demonstrated experience in the adminis-
- tration of grant funding for the purpose of alter-
- 18 native fueling infrastructure.
- 19 "(ii) In awarding grants under this paragraph, the
- 20 Secretary shall consider the number of vehicles in service
- 21 capable of using a specific type of alternative fuel.
- 22 "(iii) Grant recipients shall provide a non-Federal
- 23 match of not less than \$1 for every \$3 of grant funds
- 24 received under this paragraph.

1	"(iv) Each grant recipient shall select the locations
2	for each alternative fuel station to be constructed with
3	grant funds received under this paragraph on a formal,
4	open, and competitive basis.
5	"(C) Grant funds received under this paragraph may
6	be used to—
7	"(i) construct new facilities to dispense alter-
8	native fuels;
9	"(ii) purchase equipment to upgrade, expand,
10	or otherwise improve existing alternative fuel facili-
11	ties; or
12	"(iii) purchase equipment or pay for specific
13	turnkey fueling services by alternative fuel providers.
14	"(D) Facilities constructed or upgraded with grant
15	funds under this paragraph shall—
16	"(i) provide alternative fuel available to the
17	public for a period not less than 4 years;
18	"(ii) establish a marketing plan to advance the
19	sale and use of alternative fuels;
20	"(iii) prominently display the price of alter-
21	native fuel on the marquee and in the station;
22	"(iv) provide point of sale materials on alter-
23	native fuel;
24	"(v) clearly label the dispenser with consistent
25	materials;

1	"(vi) price the alternative fuel at the same mar-
2	gin that is received for unleaded gasoline; and
3	"(vii) support and use all available tax incen-
4	tives to reduce the cost of the alternative fuel to the
5	lowest possible retail price.
6	"(E) Not later than the date on which each alter-
7	native fuel station begins to offer alternative fuel to the
8	public, the grant recipient that used grant funds to con-
9	struct such station shall notify the Secretary of Energy
10	of such opening. The Secretary of Energy shall add each
11	new alternative fuel station to the alternative fuel station
12	locator on its Website when it receives notification under
13	this subparagraph.
14	"(F) Not later than 6 months after the receipt of a
15	grant award under this paragraph, and every 6 months
16	thereafter, each grant recipient shall submit a report to
17	the Secretary of Energy that describes—
18	"(i) the status of each alternative fuel station
19	constructed with grant funds received under this
20	paragraph;
21	"(ii) the amount of alternative fuel dispensed at
22	each station during the preceding 6-month period;
23	and

1	"(iii) the average price per gallon of the alter-
2	native fuel sold at each station during the preceding
3	6-month period.".
4	SEC. 303. MINIMUM QUANTITY OF RENEWABLE FUEL DE-
5	RIVED FROM CELLULOSIC BIOMASS.
6	Section 211(o)(2)(B) of the Clean Air Act (42 U.S.C.
7	7545(o)(2)(B)) is amended by striking clause (iii) and in-
8	serting the following:
9	"(iii) Minimum quantity derived
10	FROM CELLULOSIC BIOMASS.—
11	"(I) In general.—The applica-
12	ble volume referred to in clause (ii)
13	shall contain a minimum of—
14	"(aa) for each of calendar
15	years 2010 through 2012,
16	75,000,000 gallons that are de-
17	rived from cellulosic biomass; and
18	"(bb) for calendar year 2013
19	and each calendar year there-
20	after, 250,000,000 gallons that
21	are derived from cellulosic bio-
22	mass.
23	"(II) Ratio.—For calendar year
24	2010 and each calendar year there-

1	after, the 2.5-to-1 ratio referred to in
2	paragraph (4) shall not apply.".
3	SEC. 304. MINIMUM QUANTITY OF RENEWABLE FUEL DE-
4	RIVED FROM SUGAR.
5	(a) In General.—Section 211(o)(2)(B) of the Clean
6	Air Act (42 U.S.C. 7545(o)(2)(B)) is amended by adding
7	at the end the following:
8	"(v) Minimum quantity derived
9	FROM SUGAR.—For calendar year 2008
10	and each calendar year thereafter, the ap-
11	plicable volume referred to in clause (ii)
12	shall contain a minimum of 100,000,000
13	gallons that are derived from domestically-
14	grown sugarcane, sugar beets, or sugar
15	components.".
16	(b) Applicable Volume.—Section 211(o)(2)(B)(i)
17	of the Clean Air Act (42 U.S.C. $7545(0)(2)(B)(i)$ ) is
18	amended—
19	(1) in the item relating to calendar year 2008,
20	by striking "5.4" and inserting "5.5";
21	(2) in the item relating to calendar year 2009,
22	by striking "6.1" and inserting "6.2";
23	(3) in the item relating to calendar year 2010,
24	by striking "6 8" and inserting "6 9".

1 (4) in the item relating to calendar year 2011, 2 by striking "7.4" and inserting "7.5"; and 3 (5) in the item relating to calendar year 2012, by striking "7.5" and inserting "7.6". 4 SEC. 305. BIOENERGY RESEARCH AND DEVELOPMENT. 6 Section 931(c) of the Energy Policy Act of 2005 (42) U.S.C. 16231(c)) is amended— 8 (1)in paragraph (1),by striking 9 "\$213,000,000" and inserting "\$326,000,000"; (2)10 in paragraph (2),by striking 11 "\$251,000,000" and inserting "\$377,000,000"; and 12 (3)in paragraph (3),by striking 13 "\$274,000,000" and inserting "\$398,000,000". 14 SEC. 306. PRODUCTION INCENTIVES FOR CELLULOSIC 15 BIOFUELS. 16 Section 942(f) of the Energy Policy Act of 2005 (42) 17 U.S.C. 16251(f)) is amended by striking "\$250,000,000" and inserting "\$200,000,000 for each of fiscal years 2007 18 through 2011". 19 SEC. 307. LOW-INTEREST LOAN AND GRANT PROGRAM FOR 21 RETAIL DELIVERY OF E-85 FUEL. 22 (a) Purposes of Loans.—Section 312(a) of the 23 Consolidated Farm and Rural Development Act (7 U.S.C. 1942(a)) is amended—

1	(1) in paragraph (9)(B)(ii), by striking "or" at
2	the end;
3	(2) in paragraph (10), by striking the period at
4	the end and inserting "; or"; and
5	(3) by adding at the end the following:
6	"(11) building infrastructure, including pump
7	stations, for the retail delivery to consumers of any
8	fuel that contains not less than 85 percent ethanol,
9	by volume.".
10	(b) Program.—Subtitle B of the Consolidated Farm
11	and Rural Development Act (7 U.S.C. 1941 et seq.) is
12	amended by adding at the end the following:
13	"SEC. 320. LOW-INTEREST LOAN AND GRANT PROGRAM FOR
13 14	"SEC. 320. LOW-INTEREST LOAN AND GRANT PROGRAM FOR RETAIL DELIVERY OF E-85 FUEL.
14	
	RETAIL DELIVERY OF E-85 FUEL.
14 15 16	<b>RETAIL DELIVERY OF E-85 FUEL.</b> "(a) In General.—The Secretary shall establish a
14 15 16 17	retail delivery of e-85 fuel.  "(a) In General.—The Secretary shall establish a low-interest loan and grant program to assist farmer-
14 15 16 17	retail delivery of e-85 fuel.  "(a) In General.—The Secretary shall establish a low-interest loan and grant program to assist farmer-owned ethanol producers (including cooperatives and lim-
14 15 16 17 18	retail delivery of E-85 fuel.  "(a) In General.—The Secretary shall establish a low-interest loan and grant program to assist farmer-owned ethanol producers (including cooperatives and limited liability corporations) to develop and build infrastructure.
14 15 16 17 18	retail delivery of E-85 fuel.  "(a) In General.—The Secretary shall establish a low-interest loan and grant program to assist farmer-owned ethanol producers (including cooperatives and limited liability corporations) to develop and build infrastructure, including pump stations, for the retail delivery to
14 15 16 17 18 19 20	"(a) In General.—The Secretary shall establish a low-interest loan and grant program to assist farmer-owned ethanol producers (including cooperatives and limited liability corporations) to develop and build infrastructure, including pump stations, for the retail delivery to consumers of any fuel that contains not less than 85 per-
14 15 16 17 18 19 20 21	retail delivery of E-85 fuel.  "(a) In General.—The Secretary shall establish a low-interest loan and grant program to assist farmer-owned ethanol producers (including cooperatives and limited liability corporations) to develop and build infrastructure, including pump stations, for the retail delivery to consumers of any fuel that contains not less than 85 percent ethanol, by volume.
14 15 16 17 18 19 20 21	retail delivery of E-85 fuel.  "(a) In General.—The Secretary shall establish a low-interest loan and grant program to assist farmer-owned ethanol producers (including cooperatives and limited liability corporations) to develop and build infrastructure, including pump stations, for the retail delivery to consumers of any fuel that contains not less than 85 percent ethanol, by volume.  "(b) Terms.—

- 69 1 "(2) AMORTIZATION.—The repayment of a loan 2 under this section shall be amortized over the ex-3 pected life of the infrastructure project that is being 4 financed with the proceeds of the loan. 5 "(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are nec-6 7 essary to carry out this section.". 8 (c) REGULATIONS.—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture 10 shall promulgate such regulations as are necessary to 11 carry out the amendments made by this section.
- 12 SEC. 308. TRANSIT-ORIENTED DEVELOPMENT CORRIDORS.
- 13 (a) Definitions.—In this section:
- 14 (1) Transit-oriented Development Cor15 RIDOR.—The term "Transit-Oriented Development
  16 Corridor" or "TODC" means a geographic area des17 ignated by the Secretary under subsection (b).
- 18 (2) OTHER TERMS.—The terms "fixed guide 19 way", "local governmental authority", "mass trans-20 portation", "Secretary", "State", and "urbanized 21 area" have the meanings given the terms in section 22 5302 of title 49, United States Code.
- 23 (b) Transit-Oriented Development Cor-24 ridors.—

1	(1) In general.—The Secretary shall develop
2	and carry out a program to designate geographic
3	areas in urbanized areas as Transit-Oriented Devel-
4	opment Corridors.
5	(2) Criteria.—An area designated as a TODC
6	under paragraph (1) shall include rights-of-way for
7	fixed guide way mass transportation facilities (in-
8	cluding commercial development of facilities that
9	have a physical and functional connection with each
10	facility).
11	(3) Number of Todes.—In consultation with
12	State transportation departments and metropolitan
13	planning organizations, the Secretary shall des-
14	ignate—
15	(A) not fewer than 10 TODCs by Decem-
16	ber 31, 2015; and
17	(B) not fewer than 20 TODCs by Decem-
18	ber 31, 2025.
19	(4) Transit grants.—
20	(A) IN GENERAL.—The Secretary make
21	grants to eligible states and local governmental
22	authorities to pay the Federal share of the cost
23	of designating geographic areas in urbanized
24	areas as TODCs.

- 1 (B) APPLICATION.—Each eligible State or
  2 local governmental authority that desires to re3 ceive a grant under this paragraph shall submit
  4 an application to the Secretary, at such time, in
  5 such manner, and accompanied by such addi6 tional information as the Secretary may reason7 ably require.
  - (C) Labor Standards.—Subchapter IV of chapter 31 of title 40, United States Code shall apply to projects that receive funding under this section.
  - (D) FEDERAL SHARE.—The Federal share of the cost of a project under this subsection shall be 50 percent.
- 15 (c) TODC RESEARCH AND DEVELOPMENT.—To sup-16 port effective deployment of grants and incentives under 17 this section, the Secretary shall establish a TODC re-18 search and development program to conduct research on 19 the best practices and performance criteria for TODCs.
- 20 (d) AUTHORIZATION OF APPROPRIATIONS.—There is 21 authorized to be appropriated to carry out this section 22 \$50,000,000 for each of fiscal years 2007 through 2012.

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## TITLE IV—NATIONWIDE ENERGY SECURITY MEDIA CAMPAIGN

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3	SEC. 401. NATIONWIDE MEDIA CAMPAIGN TO DECREASE
4	OIL CONSUMPTION.
5	(a) In General.—The Secretary of Energy, acting
6	through the Assistant Secretary for Energy Efficiency and
7	Renewable Energy (referred to in this section as the "Sec-
8	retary"), shall develop and conduct a national media cam-
9	paign for the purpose of decreasing oil consumption in the
10	United States over the next decade.
11	(b) Contract With Entity.—The Secretary shall
12	carry out subsection (a) directly or through—
13	(1) competitively bid contracts with 1 or more
14	nationally recognized media firms for the develop-
15	ment and distribution of monthly television, radio,
16	and newspaper public service announcements; or
17	(2) collective agreements with 1 or more nation-
18	ally recognized institutes, businesses, or nonprofit
19	organizations for the funding, development, and dis-
20	tribution of monthly television, radio, and newspaper
21	public service announcements.
22	(c) Use of Funds.—
23	(1) In general.—Amounts made available to
24	carry out this section shall be used for the following:
25	(A) Advertising costs.—

1	(i) The purchase of media time and
2	space.
3	(ii) Creative and talent costs.
4	(iii) Testing and evaluation of adver-
5	tising.
6	(iv) Evaluation of the effectiveness of
7	the media campaign.
8	(v) The negotiated fees for the win-
9	ning bidder on requests from proposals
10	issued either by the Secretary for purposes
11	otherwise authorized in this section.
12	(vi) Entertainment industry outreach
13	interactive outreach, media projects and
14	activities, public information, news media
15	outreach, and corporate sponsorship and
16	participation.
17	(B) Administrative costs.—Operational
18	and management expenses.
19	(2) Limitations.—In carrying out this section
20	the Secretary shall allocate not less than 85 percent
21	of funds made available under subsection (e) for
22	each fiscal year for the advertising functions speci-
23	fied under paragraph (1)(A).
24	(d) Reports.—The Secretary shall annually submit
25	to Congress a report that describes—

1	(1) the strategy of the national media campaign
2	and whether specific objectives of the campaign were
3	accomplished, including—
4	(A) determinations concerning the rate of
5	change of oil consumption, in both absolute and
6	per capita terms; and
7	(B) an evaluation that enables consider-
8	ation whether the media campaign contributed
9	to reduction of oil consumption;
10	(2) steps taken to ensure that the national
11	media campaign operates in an effective and effi-
12	cient manner consistent with the overall strategy
13	and focus of the campaign;
14	(3) plans to purchase advertising time and
15	space;
16	(4) policies and practices implemented to ensure
17	that Federal funds are used responsibly to purchase
18	advertising time and space and eliminate the poten-
19	tial for waste, fraud, and abuse; and
20	(5) all contracts or cooperative agreements en-
21	tered into with a corporation, partnership, or indi-
22	vidual working on behalf of the national media cam-
23	paign.

- 1 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
- 2 authorized to be appropriated to carry out this section

3 \$5,000,000 for each of fiscal years 2006 through 2010.

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